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United Nations Industrial Development Organization

Industrial Development Board

Tenth session
Vienna, 2-6 November 1992
Item 2 of the provisional agenda

ANNOTATED PROVISIONAL AGENDA

Item 1. Opening of the tenth session

The tenth session of the Board will be opened by the President.

Item 2. Adoption of the agenda

A provisional agenda for the tenth session was adopted by the Board at its ninth session (IDB.9/Dec.19). The inclusion of a supplementary item (item 16) has been proposed by one Member State in accordance with rule 12 of the rules of procedure of the Board. The corresponding supporting statement is provided in the present document under item 16. The provisional agenda with the proposed supplementary item is submitted to the Board for adoption in document IDB.10/1/Rev.1.

Item 3. Progress report for 1992 on specific UNIDO activities

The Annual Report of UNIDO, 1991 was submitted to the Board at its ninth session (IDB.9/10 and Corr. 1 and 2). The Director-General will submit progress reports on some programmes and activities for 1992 which are not the subject of a specific item under the present provisional agenda, but on which the General Conference or the Board have expressed the wish to see a progress report submitted to the current session. Thus information provided in the Annual Report 1991 will be updated as of 31 August 1992 for activities related to: the Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean, in compliance with Conference resolution GC.4/Res.6, paragraph 4; the development of human resources, in compliance with General Conference resolution GC.4/Res.15, paragraph 5; and the UNIDO energy programme, in compliance with Board decision IDB.9/Dec.3.

The Board will have before it:

- Progress report for 1992 on specific UNIDO activities. Submitted by the Director-General (IDB.10/18 and Add.1)

Item 4. Report of the Programme and Budget Committee

Article 10.4 (d) of the Constitution requires that the Programme and Budget Committee "report to the Board at each regular session on all activities of the Committee and submit advice or proposals on financial matters to the Board on its own initiative."

The report of the Programme and Budget Committee (PBC) on the work of its eighth session is submitted to the Board in document IDB.10/14. The following subjects, dealt with by the PBC at that session (listed from (a) to (l) below), are of relevance to the work of the Board at its current session.

(a) Report of the External Auditor, financial performance report and programme performance report for the biennium 1990-1991

In its conclusion 1987/19, the PBC requested the Director-General to submit each year to the Board through the PBC a clear and detailed financial performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11) approved the incorporation of the programme performance report in the annual report, as proposed by the Director-General in documents IDB.7/3 and Add.1. Likewise, the General Conference in its resolution GC.4/Res.2 requested the Director-General to incorporate fully in future annual reports the programme performance report according to Board decision IDB.7/Dec.11, and to continue including therein the tabular presentation of significant performance indicators and the comparison of outputs implemented against outputs planned for the period covered by the annual report, as shown in document GC.4/35.

The new reporting system approved by the Board and the General Conference will not come fully into operation before 1993 when the first reporting on the 1992-1993 biennium will take place. Concerning the biennium 1990-1991, which was a transition period towards the new reporting formats, an attempt was already made to reflect programme performance in the Annual Report of UNIDO, 1990 (IDB.8/10). Furthermore, the Annual Report of UNIDO, 1991, provides, parallel to the description of the activities carried out in 1991, the significant performance indicators and the comparison of outputs implemented against outputs planned for the biennium 1990-1991. In that respect, cross-references are made to the subprogrammes, programme elements and outputs described in the programme and budgets, 1990-1991, as adopted by the General Conference at its third session (GC.3/10/Rev.1).

In accordance with financial regulation 11.10, the External Auditor's reports, together with the

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audited financial statements, shall be completed not later than 1 June following the fiscal period to which they relate and shall be transmitted through the PBC to the Board in accordance with directions given by the Conference. The PBC is expected to submit its recommendations to the Board which shall forward them to the Conference with such comments as it deems appropriate.

The above-mentioned reports for the financial period 1990-1991 were submitted to the PBC at its eighth session. The recommendations of the PBC in that respect are included in its conclusion 92/2. The PBC requested the Director-General to report to the Board at its tenth session on the steps taken towards implementation of the recommendations contained in the report of the External Auditor, especially with regard to a number of audit observations.

The Board will have before it:

- Financial performance report for the biennium 1990-1991. Submitted by the Director-General (IDB.10/3)

- Report of the External Auditor on the accounts of UNIDO and of the Industrial Development Fund for the financial period 1990-1991 ended 31 December 1991 (IDB.10/4)

- Annual Report of UNIDO, 1991 (IDB.9/10 and Corr.1 and 2) (reflecting the programme performance report for the biennium 1990-1991)

- Comments of the Director-General on the report of the External Auditor (IDB.10/11)

- Net basis budgeting. Report by the Director-General (IDB.10/11/Add.1)

- PBC conclusion 92/2 on the report of the External Auditor, financial performance report and programmme performance report for the biennium 1990-1991

- Implementation of the recommendations of the External Auditor for the financial period 1990-1991. Report by the Director-General (IDB.10/25)

(b) Use of unutilized balances of appropriations

In the context of the financial situation of UNIDO as reflected in the budget performance report 1990-1991, the General Conference at its fourth session recalled its decision GC.3/Dec.17 concerning the temporary suspension of financial regulations 4.2 (b) and 4.2 (c) with respect to the 1986-1987 biennium to allow UNIDO to retain the unutilized balance of the appropriations for that biennium. These financial regulations relate to the surrendering to Member States of the unencumbered balance of appropriations at the end of a fiscal period.

In decision GC.4/Dec.15 the Conference decided to cover a deficit for the 1990-1991 biennium by, inter alia, the suspension of financial regulations 4.2 (b) and 4.2 (c) with respect to the unutilized balance of appropriations for the biennium 1986-1987 up to the amount of $4.3 million. It also decided, in order to facilitate the work of the Organization, on the temporary suspension of financial regulations 4.2 (b) and 4.2 (c) with respect to the 1988-1989 biennium to allow UNIDO to retain the unutilized balance of appropriations of $6,496,192, which comprises the surplus account balance of $1,807,815 and unpaid assessed contributions of $4,688,377 as reported in statement II attached to the Director-General's interim financial performance report for the biennium 1990-1991 (PBC.7/16).

The Conference further decided to request the External Auditor to submit his opinion to the PBC in future on the allocation of any retained unutilized balances of appropriations to those original programmes that had been affected. At its eighth session, the PBC, in its conclusion 92/3, took note with appreciation of the report of the External Auditor on the subject (PBC.8/12).

(c) Implementation of the recommendations of the External Auditor for the financial period 1988-1989

In considering the follow-up of the recommendations of the External Auditor for the financial period 1988-1989 (IDB.7/11 and Corr.1), the Board in its decision IDB.8/Dec.30 requested the Director-General: (a) to make available to interested Member States before the fourth session of the General Conference the manual on financial and accounting policies and procedures and to present the comments of the External Auditor on that manual to the eighth session of the PBC in 1992; and (b) to finalize as soon as possible, preferably before that session of the PBC, the compilation of a comprehensive manual containing the formal documentation of administrative policies and procedures of the Organization, especially on purchases and contracts. Subsequently the Conference, in its resolution GC.4/Res.24, took note of the draft finance manual made available by the Director-General and reiterated the requests of the Board.

The PBC, at its eighth session, in conclusion 92/4, while taking note of the report of the Director-General on the implementation of the recommendations of the External Auditor for the financial period 1988-1989 (IDB.10/6) and the completion of the draft version of the finance manual, requested the Director-General: (a) to finalize the manual of administrative policies and procedures of the Organization; (b) to review and improve as feasible the application of the last sentence of paragraph (f) of appendix G to the Staff Rules, taking into account the practice prevailing in the common system of the United Nations, in order to effect sizeable economies in the official travel costs of the Organization, as recommended in paragraphs 77 to 81 of the report of the External Auditor for the financial period 1988-1989 (IDB.7/11); and (c) to report to the Board on the matter at its tenth session.

The Board will have before it:

- PBC conclusion 92/4 on the implementation of the recommendations of the External Auditor for the financial period 1988-1989

- Action taken with regard to the manual of administrative policies and procedures of the Organization. Report by the Director-General (IDB.10/6/Rev.1)

- Economies in the official travel costs of the Organization. Report by the Director-General (IDB.10/26)

(d) Financial situation of UNIDO

The Board reviewed the financial situation of UNIDO at its ninth session and in decision IDB.9/Dec.13 requested the Director-General to report to the PBC on the contingency measures taken and those further required to cope with the financial situation and asked the PBC to take appropriate measures on a temporary basis. In its conclusion 92/5, the PBC requested the Director-General to take necessary measures to stabilize the operational budget through a number of actions, as soon as possible but at the latest by the end of 1993.

Under the same subject, the PBC adopted conclusion 92/6, in which it recommended to the Board the adoption of a draft decision concerning the write-off of losses related to small catering items.

The Board will have before it:

- Financial situation of UNIDO as of 15 September 1992. Report by the Director-General (IDB.10/27)

- Losses related to small catering items. Note by the Secretariat (IDB.10/9)

- PBC conclusion 92/5 on measures to stabilize the operational budget

- PBC conclusion 92/6 on losses related to small catering items

(e) Application of the split-currency system of assessment

The General Conference at its third session decided to continue the applications of the split-currency system of assessments for the regular budget in accordance with financial regulation 5.1 (d) (GC.3/Dec.19), while the advances to the Working Capital Fund should continue to be assessed and paid in United States dollars, as stated in financial regulation 5.5 (d) (GC.3/Dec.20). The administration of the split-currency system of assessment was reviewed by the External Auditor in his report on the accounts for the financial period 1988-1989 (IDB.7/11 and Corr.1).

Alternatives to the present split-currency system were subsequently reviewed by the PBC and the Board, including the introduction of a constant dollar basis for both budgeting and reporting purposes, in an effort to determine an optimum system for UNIDO and its Member States. On the basis of those reviews, the Conference in its resolution GC.4/Res.27, decided that the appropriation approved for the biennium 1992-1993 be assessed in the proportions of 11 per cent in United States dollars of the appropriation expressed at US$ 1 = AS 12.90 and the balance in Austrian schillings. At the same time, the Conference decided to suspend for 1992-1993 the second sentence of financial regulation 5.1 (d) (i.e. "The initial assessment in Austrian schillings shall be established at the United Nations accounting rate of exchange in effect at the time the regular budget is adopted by the Conference.") and requested the Director-General in consultation with the External Auditor to review the appropriateness of that sentence and to report thereon through the PBC and the Board to the General Conference at its fifth session.

While making recommendations which led to the above decision by the Conference concerning split-currency assessment for the biennium 1992-1993, the PBC, in its conclusion 1991/9 (c), had requested the Secretariat to continue to examine the feasibility of introducing a system of constant dollar reporting for the 1992-1993 biennium, to continue to monitor the expenditure patterns and further improve the expenditure review mechanisms; and to report to the PBC at its eighth session on progress made.

At its eighth session, the PBC took note of the report of the Secretariat on the above matters (PBC.8/11).

The Board will have before it:

- Application of the split-currency system of assessment. Report by the Secretariat (PBC.8/11)

- PBC conclusion 92/7 on the application of the split-currency system of assessment

(f) Operational budget: reimbursement for programme support and administrative services

Financial rule 106.21 governs reimbursement for programme support and administrative services for the preparation and implementation of projects and other activities of the programme of the Industrial Development Fund, of a trust fund or of a reserve or special account, provided by the various units of the UNIDO Secretariat. In accordance with this rule, reimbursement for such services from the resources of the Industrial Development Fund, trust fund or reserve or special account shall be authorized by the Director-General at the rate of reimbursement to executing agencies currently applied by the United Nations Development Programme (UNDP), unless the estimated actual costs of programme support and administrative services in respect of an individual project or activity justify a different rate, to be set by the Director-General upon the advice of the Director, Financial Services.

The General Conference, in its resolution GC.4/Res.28 related to guidelines for special trust fund projects, requested the Director-General to present a proposal to the Board at its tenth session, through the PBC, on the application of financial rule 106.21, taking into account the cost measurement study undertaken by UNDP. Such a proposal was presented to the PBC at its eighth session (PBC.8/8-IDB.10/8). The PBC in its conclusion 92/8 took note of that proposal.

The Board will have before it:

- Cost measurement study on the United Nations Development Programme successor arrangements for agency support costs. Report by the Director-General (IDB.10/7)

- Reimbursement for special trust fund projects in accordance with financial rule 106.21. Proposal by the Director-General (IDB.10/8)

- PBC conclusion 92/6 on the application of financial rule 106.21

(g) Guidelines and procedures governing acceptance and funding under special trust funds, Industrial Development Fund and the regular budget

In a note submitted to the Board at its eighth session on the regulatory framework for the implementation of Article 16 of the Constitution (IDB.8/33), the Director-General explained that, with the growth experienced in the special trust fund programme, as well as in the activities funded by the Industrial Devlopment Fund, he had decided to revise his bulletin UNIDO/DG/B.18 containing guidelines on the preparation, processing, monitoring and negotiation of trust fund projects to provide a more detailed set of guidelines and procedures, and to take into account the experience gained by the Secretariat since UNIDO was established as a specialized agency. In addition to special trust funds, the revised bulletin would also cover projects funded by the Industrial Development Fund and the regular budget. At its eighth session, the Board requested the Director-General to expedite the work on the revised bulletin, with a view to enabling the PBC to review it at its eighth session (IDB.8/Dec.34, para. (e)).

The General Conference at its fourth session adopted resolution GC.4/Res.20 on the evaluation of the objectives and functions of UNIDO in view of recent changes and developments in the world. In that resolution, the Conference requested the Director-General to ensure that the voluntary contributions he accepts on behalf of UNIDO are in conformity with the objectives and policies of the Organization and, in that context, reiterated the request of the Board in its decision IDB.8/Dec.34 to expedite the work on the revised bulletin UNIDO/DG/B.18.

The PBC was informed of the status of preparation of the Director-General's revised bulletin on guidelines and procedures governing acceptance and funding under special trust funds, the Industrial Development Fund and the regular budget (UNIDO/DG/B.18/Rev.1), which was finalized in May 1992 and made available to the PBC.

The Board will have before it:

- Regulatory framework for the implementation of Articles 16 and 17 of the Constitution. Report by the Director-General (IDB.10/10)

- PBC conclusion 92/9 on the guidelines and procedures governing acceptance and funding under special trust funds, Industrial Development Fund and the regular budget

(h) Medium-term plan, 1994-1999 (including general ceiling for the biennium 1994-1995)

In accordance with General Conference decision GC.2/Dec.23, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the PBC, a draft medium-term plan for the six years that follow the current fiscal period. The draft medium-term plan should be prepared in accordance with the principles mentioned in that decision. Furthermore, in compliance with subparagraph (b)(v)d of the same decision, the Director-General should also submit a preview of the biennium 1994-1995 providing a general indication of the human and financial resources required.

The Conference, in its resolution GC.4/Res.25, while approving the medium-term plan, 1992-1997 (PBC.7/17), requested the Director-General to ensure that, in the elaboration of the next draft medium-term plan, its structure consisting of the five priority areas, the three elements common to industrial development and the six programme instruments of UNIDO be maintained without prejudice to possible new guidelines to be adopted by the Board through the PBC at its eighth session. The Director-General was also requested to reflect in the next draft medium-term plan the relative priorities of the respective programmes and subprogrammes, as determined by the policy-making organs of UNIDO.

The PBC, at its eighth session, considered the draft medium-term plan, 1994-1999, submitted by the Director-General together with a preview and indicative general ceiling for the first biennium 1994-1995. In compliance with decisions IDB.6/Dec.27 of the Board and GC.4/Dec.19 of the Conference, the PBC also re-examined the issue of a real increase in the regular budget of UNIDO for that biennium.

In its conclusion 92/10, the PBC recommended that its Chairman conduct informal consultations to study the relative priorities within the medium-term plan activities, 1994-1999, bearing in mind the financial and technical capacity of UNIDO, and report to the Board at its tenth session. It also recommended to the Board the approval of a ceiling for the regular budget for the biennium 1994-1995 representing zero real growth compared with the biennium 1992-1993.

The Board will have before it:

- Draft medium-term plan, 1994-1999. Submitted by the Director-General (IDB.10/5)

- Preview of first biennium 1994-1995 and preliminary indicative general ceiling. Submitted by the Director-General (IDB.10/5/Add.1)

- PBC conclusion 92/10 on the medium-term plan, 1994-1999 (including general ceiling for the biennium 1994-1995) and the practice of zero real growth budgets

- Priorities within the medium-term plan, 1994-1999. Report by the Chairman of the PBC (IDB.10/29)

(i) Industrial Development Fund and other voluntary contributions

In accordance with Article 17 of the Constitution, in order to increase the resources of the Organization and to enhance its ability to meet promptly and flexibly the needs of the developing countries, the Organization shall have an Industrial Development Fund (IDF) which will be financed through the voluntary contributions to the Organization provided for in Article 16, and other income as may be provided for in the

financial regulations of the Organization. The Director-General shall administer IDF in accordance with the general policy guidelines governing the operations of the Fund that are established by the Conference, or by the Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization. Rules governing the financial management of IDF were prepared by the Director-General in accordance with the financial regulations established by the Conference in its decision GC.2/Dec.25. These rules are contained in the Financial Rules of UNIDO (UNIDO/DG/B.74/Rev.1).

In accordance with Board decision IDB.4/Dec.30, the Director-General is to provide information as to the nature of projects financed from the Fund, indicating therein the projects financed from its general-purpose segment as well as information as to the projects financed from its special-purpose segment.

In its decision GC.4/Dec.21, paragraph (e), the General Conference encouraged the Director-General to pursue the development of the programme approach described in document GC.4/28 in order to enhance the impact of UNIDO assistance and requested the Secretariat to promote selected programmes following the medium-term plan priority areas, while urging Member States to provide adequate financial resources for the development and implementation of such programmes. In that same decision (para. (f)), the Conference encouraged the Director-General to continue utilizing Industrial Development Fund resources as a means for the mobilization of larger financial flows, both for technical cooperation and investment, and recommended the improvement of investment-related activities.

In 1991, pledges to IDF were made during the fourth session of the Conference.

The recommendations of the PBC related to IDF are contained in its conclusion 92/11.

The Board will have before it the following documents:

- Industrial Development Fund - Estimated resource level and programming for 1993 and 1994. Report by the Director-General (IDB.10/2)

- Information on the nature of projects financed from the Fund, contained in the Annual Report of UNIDO, 1991 (IDB.9/10, chap. VIII, paras. 14-20 and appendix G)

- PBC conclusion 92/11 on the Industrial Development Fund

(j) Electronic data-processing programme

The General Conference at its fourth session requested the Director-General, with a view to ensuring the transparency of all operations concerning the electronic data-processing (EDP) programme and avoiding a repetition of past difficulties, to report to the subsequent sessions of the policy-making organs on the programme and cost of implementing the consultants' recommendations and the recommendations of the External Auditor, as contained in documents GC.4/CRP.1 and GC.4/50, especially those concerning the disaster recovery plan, the organizational and functional changes and the internal control and evaluation of automation projects. It also requested the Director-General to keep Member States fully apprised of the EDP programme by quarterly briefings and informal notes (GC.4/Dec.18, para. (h)). Such briefings have taken place on a regular basis and progress reports were submitted to the ninth session of the Board (IDB.9/12) and the eighth session of the PBC (PBC.8/15 and PBC.8/CRP.2).

The Board will have before it:

- Electronic data-processing programme. Report by the Director-General (IDB.10/30)

(k) Financial regulation 4.1, paragraphs (d) and (e)

Following recommendations made by the independent team of experts on the programme and budgets of UNIDO (PBC.5/16 and Corr.2) and subsequent recommendations by the PBC (conclusion 1990/12), the Board submitted to the General Conference at its fourth session for consideration and adoption the addition of paragraphs (c), (d) and (e) to financial regulation 4.1 contained in decision IDB.7/Dec.13. The Conference, in its resolution GC.4/Res.23, while deciding to adopt the proposed addition to financial regulation 4.1, maintained the proposed paragraphs (d) and (e) in square brackets and requested the External Auditor to submit a report to the PBC at its eighth session on his views and comments on those paragraphs. It also requested the PBC to reconsider paragraphs (d) and (e) and report to the Conference at its fifth session through the Board at its tenth session.

The PBC at its eighth session had before it a report by the External Auditor on the subject (PBC.8/14) and, in its conclusion 92/12, endorsed the opinion of the External Auditor.

The Board will have before it:

- PBC conclusion 92/12 on financial regulation 4.1, paragraphs (d) and (e)

(l) UNIDO Country Director programme

The Governing Council of the United Nations Development Programme (UNDP) in its decision 91/34 on sectoral support invited the Industrial Development Board to address the question of the financing of the UNIDO Country Director (UCD) programme in the light of the successor arrangements to support costs.

At its eighth session, in its decision IDB.8/Dec.14, the Board, having considered that the successor arrangements for sectoral support might affect the financing of UCDs from the UNIDO operational budget, requested the Director-General to pursue his consultations with the Administrator of UNDP on the system of sharing financing of the UCD programme, so that the target of 50 posts could be reached in the near future, and to keep Member States informed of the progress of the implementation of the programme.

Subsequently, at its fourth session, the General Conference in resolution GC.4/Res.4 requested the Director-General: (a) to prepare a study on the modalities of setting up a close working relationship among the UCDs of the same subregion in order to strengthen the role of the

UCDs; (b) to increase the number of UCDs in order to reach the target set in Board decision IDB.8/Dec.14; (c) to report on the possibilities of strengthening the country focus, while strengthening the advisory role of UCDs in project planning, development and evaluation; and (d) to report to the Board at its ninth session on the implementation of Board decision IDB.8/Dec.14 and the Conference resolution. The Board at its ninth session, in decision IDB.9/Dec.12, referred the report of the Director-General (IDB.9/8) to the PBC at its eighth session for consideration.

The Board will have before it the recommendation of the PBC on the subject, which is contained in:

- PBC conclusion 92/13 on the UNIDO Country Director programme

Item 5. Special Programme for Industrial Development in the Arab Countries

At its fifth session the Board decided to establish a special programme designed to promote industrial development in the Arab countries, with special emphasis on regional priority subsectors and on the least developed Arab countries, and to strengthen existing programmes of UNIDO in the Arab region (decision IDB.5/Dec.26).

The Programme was also the subject of decisions by the Board at its sixth and seventh sessions (IDB.6/Dec.2 and IDB.7/Dec.2). At its fourth session the General Conference in resolution GC.4/Res.5 listed the priorities for the activities of the Programme and addressed a number of requests to the Director-General including the submission of a report on the implementation of that resolution to the Conference at its fifth session through the Board at its tenth session.

The Board will thus have before it:

- Special Programme for Industrial Development in the Arab Countries. Progress report by the Director-General (IDB.10/12-GC.5/5)

Item 6. UNIDO environment programme

The Board at its sixth session adopted decision IDB.6/Dec.7 in which it approved the UNIDO environment programme and its activities as outlined in paragraphs 3 to 28 of document IDB.6/3.

A progress report on the implementation of the programme (GC.4/25 and Add.1 and Corr.1) was reviewed by the General Conference at its fourth session. The Conference adopted resolution GC.4/Res.18 in which, inter alia, it invited the Director-General to submit to the Board at its tenth session an update of the UNIDO environment programme, taking into consideration the recommendations and guidelines of the United Nations Conference on Environment and Development, the views expressed by the General Conference of UNIDO at its fourth session, as well as the results and recommendations of the UNIDO Conference on Ecologically Sustainable Industrial Development.

Agenda 21, adopted by the United Nations Conference on Environment and Development convened in Rio de Janeiro, Brazil, from 3 to 14 June 1992, constitutes a basis for international action into the next century. It contains a number of chapters directly relevant to the UNIDO mandate to promote ecologically sustainable industrial development. A document outlining the role to be played by UNIDO in the implementation and achievement of the objectives specific to Agenda 21 will be presented to the Board.

The Board will thus have before it:

- Updated UNIDO environment programme. Submitted by the Director-General (IDB.10/17)

- Response of UNIDO to Agenda 21. Report by the Director-General (IDB.10/32)

Item 7. Guidelines for special trust fund projects

In compliance with Board decisions IDB.6/Dec.10 and IDB.8/Dec.32, the Director-General submitted for approval to the General Conference at its fourth session guidelines for the development, appraisal, approval and implementation of special trust fund projects (GC.4/36). In its resolution GC.4/Res.28, while approving those guidelines, the Conference, inter alia, requested the Director-General to prepare some additions to them (see para. 2 of the resolution) for submission to the Board at its tenth session.

The Conference also requested the Director-General to present a proposal to the Board at its tenth session, through the PBC, on the application of financial rule 106.21, taking into account the cost measurement study presently undertaken by the United Nations Development Programme (see item 4 above, para. (f)).

The Director-General was invited to report on the implementation of resolution GC.4/Res.28, the appraisal activities, the in-depth evaluation, and on the steps taken to revise the regulatory framework for the implementation of Articles 16 and 17 of the Constitution to the Board at its tenth session. (Concerning the steps taken to revise the regulatory framework for the implementation of Articles 16 and 17 of the Constitution, see item 4 above, para. (g).)

The Board will have before it:

- Guidelines for special trust fund projects. Report by the Director-General (IDB.10/15)

- Reimbursement for special trust fund projects in accordance with financial rule 106.21. Proposal by the Director-General (IDB.10/8) (submitted under item 4 - see 4 (f) above)

- Regulatory framework for the implementation of Articles 16 and 17 of the Constitution. Report by the Director-General (IDB.10/10) (submitted under item 4 - see 4 (g) above)

Item 8. Mobilization of financial resources for industrial development

The General Conference, in resolution GC.2/Res.10, paragraph 1, requested the Director-General to exert efforts in a number of areas aimed at identifying and promoting ways and

means of mobilizing additional financial resources for industrial development. Subsequently, at its third and fourth sessions, the Conference in resolutions GC.3/Res.5 and GC.4/Res.21, addressed a number of requests to the Director-General aimed at pursuing and reinforcing his activities concerning the mandate of resolution GC.2/Res.10.

The Director-General was requested to present to the Board at its tenth session a progress report on the implementation of the actions called for in resolution GC.4/Res.21.

The Board will have before it:

- Mobilization of financial resources for industrial development. Progress report by the Director-General (IDB.10/20-GC.5/6)

Item 9. The external debt and industrial development

At its fourth session, the General Conference considered a report by the Director-General on the external debt and industrial development (GC.4/31) and adopted resolution GC.4/Res.22, which requested the Director-General to take a number of actions aimed at contributing to the alleviation of the debt burden of the developing countries.

The Director-General was also requested to report on the implementation of the measures called for in resolution GC.4/Res.22 to the Conference at its fifth session through the Board at its tenth session.

Because of the considerable degree of overlap in UNIDO activities aimed at the mobilization of financial resources for industrial development and those directed towards alleviation of the effects of the external debt on industrial development in developing countries, reporting on the two subjects has been combined into one single document.

The Board will have before it:

- The external debt and industrial development. Progress report by the Director-General (IDB.10/20-GC.5/6)

Item 10. Evaluation of the objectives and functions of UNIDO in view of recent changes and developments in the world

In its decisions IDB.6/Dec.23 and IDB.8/Dec.34, the Board raised a number of concerns related to the subject of this item, and referred them to the General Conference at its fourth session. On that occasion the Conference considered a report by the Director-General (GC.4/18) and adopted resolution GC.4/Res.20. The resolution requested the Director-General, inter alia, to ensure that the activities of UNIDO are consistent with the efforts of developing countries to ensure their active participation in the world economy, and to report on the concrete steps he had taken in that regard, through the Board, to the Conference at its fifth session.

The Board will have before it:

- Evaluation of the objectives and functions of UNIDO in view of recent changes and developments in the world. Report by the Director-General (IDB.10/21-GC.5/7)

Item 11. Organizational and staff structure of UNIDO

In resolution GC.3/Res.20, the General Conference, while taking note of the management review of the organizational and staff structure of UNIDO (IDB.5/9) as well as the findings and recommendations of the Director-General on the management review (IDB.5/9/Add.1 and Corr.1) and the report of the Director-General on the organizational and staff structure of UNIDO (GC.3/33), invited the Director-General to pursue his in-depth study on the appropriate organizational structure of UNIDO in accordance with the criteria set out in paragraph (h) of Conference decision GC.2/Dec.22. At the same time, it requested the Director-General to present to the Conference at its fourth session, through the Board, a report on his overall vision of the appropriate organizational and staff structure of UNIDO, including clear terms of reference and functions for the different departments and divisions, taking into account the medium-term plan. It also requested the Director-General to continue to consult, as appropriate, with Member States and, at the request of the President of the Board, to initiate further informal exchanges of views and studies of options for the long-term reform process and optimum staff structure.

A report on his overall vision of the appropriate structure (IDB.7/33) was submitted by the Director-General to the Board at its seventh session.

At that session the Board, while taking note of that report, requested the Director-General to continue to update and revise his vision of the organizational and staff structure of UNIDO taking into account the views expressed by Member States and the staff of UNIDO during the seventh session of the Board, as well as to provide his vision of project cycle and management in the proposed structure. The Board also established an open-ended working group under the guidance of its Bureau, to review the organizational and staff structure of UNIDO and report to the seventh session of the PBC bearing in mind Conference decision GC.2/Dec.22, paragraph (h), the medium-term plan, and the constitutional mandates of UNIDO (Board decision IDB.7/Dec.23). The PBC considered the report of the Working Group (PBC.7/12 and Corr.1), and decided to transmit it to the Board for more detailed consideration.

At its eighth session, the Board accepted a statement by the President on the subject (GC.4/4, para. 50) according to which it, inter alia, took note of the report of the Working Group (PBC.7/12 and Corr.1) and of the information presented by the Director-General in document IDB.8/45-GC.4/19 and encouraged representatives of Member States, under the guidance of the Bureau, to engage in informal consultations on the issue on the basis of views expressed and proposals put forward with a view to reaching a decision at the fourth session of the Conference. In its decision GC.4/Dec.22, the Conference requested the Board to pursue the examination of that matter with a view to reaching a decision that could be adopted by the Conference at its fifth regular session.

The Board will have before it:

- Organizational and staff structure of UNIDO. Report by the Director-General (IDB.10/24)

Item 12. Headquarters agreement between UNIDO and the Republic of Austria

In accordance with Article 20.2 of the Constitution, "the Organization shall conclude a headquarters agreement with the Host Government." Information on the subject was provided to the Board at its sixth and eighth sessions when the Board adopted decisions IDB.6/Dec.17 and IDB.8/Dec.37.

In the following document the Board will be informed of the latest developments:

- Headquarters agreement between UNIDO and the Republic of Austria. Report by the Director-General (IDB.10/23)

Item 13. Administrative matters

(a) Joint Inspection Unit

By decision IDB.1/Dec.22 the Board decided to accept on behalf of UNIDO the Statute of the Joint Inspection Unit (JIU) as of 1 January 1986. In the following document, the Board will have before it information on recent JIU activities of relevance to UNIDO:

- Activities of the Joint Inspection Unit in 1991 and early 1992 of relevance to UNIDO. Note by the Secretariat (IDB.10/22)

(b) International Civil Service Commission

By decision IDB.1/Dec.18, the Board decided to accept the International Civil Service Commission (ICSC) statute for UNIDO as of 1 January 1986. In the following document the Board will be informed of any actions taken recently by ICSC which are of relevance to UNIDO:

- International Civil Service Commission. Note by the Secretariat (IDB.10/28)

Item 14. Preparatory arrangements for the fifth session of the General Conference

At its fourth session, in decision GC.4/Dec.25, the General Conference decided that its fifth session should be held from 6 to 10 December 1993. Furthermore, in resolution GC.4/Res.30, the Conference took note with appreciation of the kind offer of the Republic of Cameroon to UNIDO to host the fifth session at Yaoundé in 1993, and requested the Director-General to undertake the necessary consultations with the Government of the Republic of Cameroon for detailed arrangements for holding the fifth session of the Conference at Yaoundé and to submit a report on the result of those consultations to the Board at its tenth session for decision.

The Board, in order to facilitate the budgetary exercise of the Government of Cameroon, decided to advance its decision to its ninth session. It decided to accept the offer of the Government of Cameroon and requested the Director-General to negotiate and to sign the necessary agreement with the Government of Cameroon and to report thereon to the tenth session of the Board (IDB.9/Dec.16).

In accordance with Article 9.4 of the Constitution, the Board shall prepare the provisional agenda for the Conference. The Board may wish to consider a tentative provisonal agenda for the fifth session of the Conference at its current session so as to enable Member States as well as the Secretariat to start work in this respect.

The Board will have before it:

- Agreement with the Government of Cameroon on the venue of the fifth session of the General Conference. Progress report by the Director-General (IDB.10/31)

- Preparation of the provisional agenda of the fifth session of the General Conference. Note by the Secretariat (IDB.10/19)

Item 15. Matters related to intergovernmental, non-governmental, governmental and other organizations

Article 19.1 of the Constitution stipulates that the Director-General may, with the approval of the Board and subject to guidelines established by the Conference: (a) enter into agreements establishing appropriate relationships with organizations of the United Nations system other than the United Nations and with other intergovernmental and governmental organizations; (b) establish appropriate relations with non-governmental and other organizations the work of which is related to that of the Organization; and that when establishing such relations with national organizations the Director-General shall consult with the Governments concerned.

Guidelines regarding relations with the organizations mentioned above were established by the Conference in decision GC.1/Dec.41. In accordance with these guidelines, the Director-General shall: (a) present the draft texts of agreements with organizations of the United Nations system other than the United Nations to the Board for its approval; (b) circulate among the members of the Board information on intergovernmental and governmental organizations that have expressed the wish to enter into agreements with UNIDO and seek the approval of the Board before concluding an appropriate relationship agreement with the organizations concerned; and (c) circulate among the members of the Board information on international and national non-governmental organizations and other organizations seeking consultative status, following which the Board shall decide whether to accord consultative status to the organizations concerned in accordance with the guidelines established by the Conference.

The Board will have before it:

- Information on intergovernmental organizations not in the United Nations system. Note by the Director-General (IDB.10/16 and Add.1)

- Applications from non-governmental organizations for consultative status. Note by the Director-General (IDB.10/13)

Item 16. Actions to be taken by the Industrial Development Board following the resignation of the Director-General

The inclusion of this supplementary item has been proposed by the Government of Denmark with the following supporting statement:

As communicated by H.E. Mr. V. Cserveny, President of the Board, to the Member States of UNIDO in his letter of 1 September 1992, the Director-General of UNIDO, Domingo L. Siazon, Jr., has given notice of his resignation from the post of Director-General of the Organization with effect 28 February 1993.

In line with the terms and conditions of the appointment of the Director-General as adopted by the General Conference (decision GC.3/Dec.8, annex, article 7) the Board is authorized to accept the resignation of the Director-General on behalf of the Conference. Therefore, the subject will have to be brought to the attention of the Board at the earliest opportunity, i.e. at its tenth session. Furthermore, the Board at that session should consider any action to be taken following the resignation of the Director-General.

Item 17. Provisional agenda for the eleventh session

In accordance with rule 10.2 of the rules of procedure, the Director-General shall submit to the Board at each regular session the provisional agenda for the following regular session.

Following the recommendations of the Board for conduct of business and rationalization of proceedings (IDB.5/Dec.46, annex, para. 4), the Board at its fourth special session established a list of items for consideration when adopting the provisional agenda of its eleventh session (see decision IDB/S.4/Dec.2, section C).

Concerning the date of the eleventh session, the Board may wish to note that the following dates have been reserved for the policy-making organs of UNIDO in 1993:

26-30 April 1993 (final)	PBC - ninth session
28 June - 2 July 1993 (tentative)	IDB - eleventh session
6-10 December 1993 (final)	General Conference - fifth session

The Board will have before it:

- Board decision IDB/S.4/Dec.2 (GC.5/1, annex I) concerning a list of items for the provisional agenda of the eleventh session

Item 18. Adoption of the report of the tenth session

Item 19. Closure of the tenth session